

ORDINANCE NO. 1-A

AN ORDINANCE TO CONSTRUCT, IMPROVE AND EXTEND THE WATER SYSTEM
PURSUANT TO COLORADO REVISED STATUTES, 1963, CHAPTER 139,
ARTICLE 52, AS AMENDED, FOR AN AMOUNT NOT EXCEEDING \$16,500.00

AND FOR THE PURPOSE OF FINANCING SUCH CONSTRUCTION, IMPROVEMENT
AND EXTENSION OF THE WATER SYSTEM, SAID AMOUNT TO BEAR INTEREST AT
THE RATE OF 6% PER ANNUM, PAYABLE ANNUALLY OVER A PERIOD NOT TO
EXCEED SEVEN YEARS FROM THE DATE OF THE ISSUANCE OF A REVENUE BOND
AS SECURITY THEREFOR; SUCH PAYMENT TO BE MADE SOLELY OUT OF THE
REVENUE FROM THE WATER SYSTEM, AND PROVIDING FOR THE RATE,
CHARGES AND CONDITIONS OF SERVICE AND THE DISPOSITION OF THE
REVENUE FROM THE WATER SYSTEM.

BE IT ORDAINED BY THE INCORPORATED TOWN OF STRATTON, COLORADO:

Section 1. That the Board of Trustees of the Incorporated Town of Stratton, does find that an emergency does exist and that in order to protect the health, wealth and public safety and welfare of the residents of the Incorporated Town of Stratton, Colorado, it is necessary to construct, improve and extend the present water system of the Incorporated Town of stratton, Colorado, and that the contract for such work shall be granted to S & H Drilling, Co., Inc., a Corporation, pursuant to the terms and conditions presented to the said Board. The Mayor and the Town Clerk are hereby ordered, authorized and directed to do all things necessary and proper to execute and deliver on behalf of the said Incorporated Town of S Stratton, Colorado, a binding contract for the construction, improvement and extension of the water system and the Board does further ratify, approve and confirm all acts of the said Mayor and Town Clerk which they have heretofore made in regard to the execution and delivery of any contract heretofore entered into regarding the construction, improvement or extension of the said water system.

Section 2. The Incorporated Town of Stratton, Colorado, shall borrow money from the First National Bank of Stratton, Colorado, not to exceed \$16,500.00 with interest thereon at the rate of 6% per annum, and issue as evidence therefor, a single amortized Revenue Bond of the full principal and interest thereof, and payable over a period not to exceed over seven years, as follows, to-wit:

- 1st year - \$2,000.00 together with interest at the rate of 6% per annum on July 1st, 1969;
- 2nd year - \$2,500.00 together with interest at the rate of 6% per annum on July 1st, 1970;
- 3rd year - \$2,500.00 together with interest at the rate of 6% per annum on July 1st 1971;
- 4th year - \$2,500.00 together with interest at the rate of 6% per annum on July 1st, 1972
- 5th year - \$3,000.00 together with interest at the rate of 6% per annum on July 1st, 1973;
- 6th year - \$3,500.00 together with interest at the rate of 6% per annum on July 1st, 1974;
- 7th year - \$500.00 together with interest at the rate of 6% per annum on July 1st, 1975;

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Prepayments of principal and interest shall only be allowed in multiples of \$500.00 principal payment on or after July 1st, 1973, on annual payment dates as heretofore set forth. All prepayments shall be credited to the end payments as provided herein.

Section 3. Revenue Bond. The Revenue Bond hereby authorized, and the principal and interest due thereon, shall be payable solely from the gross income and revenue to be derived from the operation of the water system. The first \$300.00 of the said gross income and revenue received each month from the operation of the water system is hereby pledged for the repayment of the revenue bond and such sum shall be set aside monthly in a fund for that purpose. A sinking fund for the purpose of collecting and handling the funds for the repayment of the revenue bond is hereby authorized and is by these presents created. The Revenue Bond authorized under this Ordinance shall not constitute an indebtedness of the Incorporated Town of Stratton, Colorado, within the meaning of any constitutional or statutory limitation of the State of Colorado. The credit and/or taxing power of the Incorporated Town of Stratton, Colorado, shall be in no manner pledged for the repayment of this Revenue Bond.

Section 4. The treasurer of the Incorporated Town of Stratton, Colorado shall be the custodian of the Sinking Fund hereby created and the funds in the Sinking Fund shall be deposited with the First National Bank of Stratton, or its successor in interest, which Bank shall be a member of the Federal Deposit Insurance Corporation. The Treasurer of the Incorporated Town of Stratton, Colorado, shall execute a Fidelity Bond in an amount of not less than \$5,000.00 with a corporate surety company approved by the First National Bank of Stratton, Colorado. The amount of the Fidelity Bond shall not be reduced without the prior written consent of the First National Bank of Stratton, Colorado, or the holder of the Revenue Bond. The Treasurer of the Incorporated Town of stratton, Colorado is hereby directed to establish a Sinking Fund account in the First National Bank of Stratton, Colorado.

The funds of the Sinking Fund account as provided for under the conditions of this Ordinance may be invested from time to time in savings accounts, obligations of the United States of America or time deposits. All investments shall be at the direction of the Town Board and shall accumulate in the Sinking Fund account funds which are in excess of the amount necessary to meet the annual payment required under the Revenue Bond, such funds shall be retained in the Sinking Fund account for the purpose of possible prepayment of the Revenue Bond. After the Revenue Bond has been repaid, any excess then remaining shall be transferred to the general fund of the Incorporated Town of Stratton, Colorado.

Section 5. Rates, charges and conditions of service.

A. Definitions:

(1) Consumer - any person, partnership, corporation or association using water supplies under this Ordinance by the Incorporated Town of Stratton, Colorado;

(2) Board of Trustees - The governing body of the Incorporated Town of stratton, (formerly Claremont), Colorado.

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(3) Incorporation - The Incorporated Town of Stratton (formerly Claremont), Colorado;

(4) Town Clerk - The duly appointed Clerk of the Incorporation;

(5) Treasurer of the Incorporated Town of Stratton - The duly appointed Treasurer of the Incorporation;

(6) Meter - Water meters owned by the Incorporated and used to measure the amount of water furnished the consumers, the basis of which when applied to the rate determines the monthly charge to the consumers;

(7) Applicant - Any person desiring to become a consumer;

(8) Meter box - a cement box 30 inches square, 4 1/2 feet deep, with a sufficient protective covering to guard against reasonable hazards and which is used to house the meter in lieu of placing the meter in the basement of structure wherein the water is used by the consumer;

B. Every person, partnership, corporation or association desiring to become a consumer shall make written application to the Board of Trustees, such application form shall be furnished by the Town Clerk upon request. The application shall contain the name and address of the person making such application, the legal description of the property where use of the water is contemplated, the purpose for which the water will be used in relation to domestic or commercial use, the approximate maximum amount of water to be used daily, the date of application and the signature of the applicant. There shall accompany each application a \$5.00 fee payable by the applicant for the processing of such application.

C. Upon receiving the application as set forth in Sub-section B hereinabove, the Board of Trustees of the Incorporated findings to determine the effect of additional water consumption on the present consumer use and the economic feasibility of supplying water to the applicant. If, in the discretion of the Board of Trustees the present consumer use will not be impaired by the additional water consumption described in the application and such water service is economically feasible, such application shall be approved and water shall be furnished to the applicant as provided herein. If the findings of the Board of Trustees shall be such that present consumer use will be impaired by the additional water consumption described in the application or furnishing water service to the applicant shall be found not economically feasible, then the Board of Trustees shall have the right to reject the application and refuse to furnish water to the applicant.

D. If the application is approved as hereinabove set forth, then the applicant shall be notified and thereupon the applicant shall pay to the Town Clerk the sum of Thirty Dollars (\$30.00) as a tapping fee. In the event that the water is already piped to the property, then the fee for tapping shall not be charged and the water shall be turned on as provided herein.

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E. Incorporation shall furnish water only to the applicant's property line and before the water can be turned into the applicant's pipes, the applicant shall furnish a meter box within his property lines and in a reasonably convenient location for service and monthly reading. A meter box shall be required only if the meter cannot be placed in the basement of the structure within which the consumer desires to use water. In addition, and in the discretion of the Board of Trustees, the applicant shall furnish a shut-off valve which shall be placed ahead of the meter. It shall be the obligation of the consumer to at all times protect the meter from any damage whatsoever and to keep the meter box, if on be in use, in a reasonably clean condition in order to afford agents of the Incorporation a reasonable opportunity to read the meter.

F. It shall be unlawful to use water for sprinkling or irrigation during any fire, or while the fire department is using the same for extinguishing any fires and when a fire alarm is sounded, all consumers shall cease sprinkling or irrigating and immediately shut off the water.

G. Rates:

Rates to consumers shall be as follows:

The first 3,000 gallons per month - \$3.50;

The next 2,000 gallons per month - at \$.30 per 1000 gallons

All over 5,000 gallons per month - at \$.15 per 1000 gallons

H. All bills are due and payable on the 20th day of each calendar month. If the user fails to pay the same by the last day of the month, he shall receive notice from the Town Clerk of the Incorporation and if not paid by the 20th of the following month, the Town Clerk shall cut off the water of the consumer after 48 hours notice has been given, such notice to be given through the United States mail. In the event that water shall be turned off at the request of the consumer, or for violation of any provisions of the terms and conditions of this Ordinance, the consumer shall after the water has been turned off, become an applicant and shall make application and pay the fees as required in Sub-section B hereof;

I. Water mains must not be tapped by anyone except a person granted authority under the direction of the Board of Trustees of the Incorporation. Mains must always be tapped on the side at an angle of 45 degrees and never by any closer than six inches from the hub and two taps shall not be closer than one foot. A four inch main shall receive no larger than a three-quarter inch tap and any larger tap shall not be inserted without first obtaining the consent and approval of the Board of Trustees of the Incorporation.

J. All service pipe between the property line and the structure wherein the water is to be used shall be of copper tubing of not less than 7/8 of an inch outside diameter. All such service pipe shall be subject to inspection and approval by the Board of Trustees or their authorized agent at any time whatsoever and prior to the pipes being buried, the water works shall be inspected by the Board of Trustees or its authorized agent; the provisions of this section can be waived by resolution of the unanimous vote of the Board of Trustees of the Incorporation, if any emergency does exist regarding copper tubing and the supply thereof;

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The Board of Trustees reserves the right for itself, or its authorized agent, to go upon any property which is to be given water service under this Ordinance, for the purpose of reading the meters of the Incorporation, or TO inspect the water system located upon the property.

Section 6. The Incorporated Town of Stratton, Colorado, hereby covenants and agrees with the First National Bank of Stratton, Colorado, that in the event that the town officials or the responsible appointed officials fail to properly manage or operate the water system or in the event that the revenue from the said water system and in that event, the First National Bank of Stratton, Colorado, or any holder of the Revenue Bond, may invoke the right to have a Court of competent jurisdiction appoint a Receiver to operate the said water system and to apply the revenue therefrom to the indebtedness owed by the said Incorporated Town of Stratton, Colorado. In the event that the provisions contained in this paragraph shall be invoked, the Town officials shall thereafter be authorized to pledge all revenues from the said water system as payment and security for the Revenue Bond issued under this Ordinance.

The Incorporated Town of Stratton, Colorado, does further covenant and agree with the First National Bank of Stratton, Colorado, that it will not borrow any funds from any source or enter into any contract or agreement or incur any other liability in connection with making extensions or improvements to the water system exclusive of normal maintenance, without first obtaining the written consent of the First National Bank of Stratton, Colorado.

Section 7. The provisions of this Ordinance are declared to be severable and if any section, sentence, clause or phrase of this Ordinance shall for any reason be held invalid or unconstitutional, such decision shall not affect the validity of the remaining sections, sentences, clauses or phrases of this Ordinance, and they shall remain in full force and effect, it being the interest that this Ordinance shall stand, notwithstanding the invalidity or unconstitutionality of any part hereof.

Section 8. All Ordinances, or parts of Ordinances, inconsistent with the provisions of this Ordinance, shall be the same are hereby repealed.

Section 9. It is hereby declared that an emergency exists and that this Ordinance is necessary for the immediate preservation of the public health, peace, welfare and safety of the residents of the Incorporated Town of Stratton, Colorado, and the support of the municipal government and its existing institutions and shall be in full force and effect after its passage and publications as provided for by law.

PASSED AND ADOPTED this 3rd day of July, A. D., 1978.
INCORPORATED TOWN OF STRATTON, COLORADO

by MAX K. TOLAND, MAYOR

(SEAL)

ATTEST: JACK D. SHEIDEGGER, TOWN CLERK